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20 March 1959

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# CENTRAL

## INTELLIGENCE

### BULLETIN



State Dept. review completed

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### CENTRAL INTELLIGENCE BULLETIN

20 March 1959

### DAILY BRIEF

### I. THE COMMUNIST BLOC

USSR: Khrushchev attempted to create an impression of moderation and restraint in his press conference on 19 March, which apparently was intended as a response to 25X1 President Eisenhower's address to the nation on 16 March. The Soviet premier's remarks, timed to coincide with Prime Minister Macmillan's arrival in Washington, asserted that Western sentiment favoring negotiations "confirms the realism and timeliness of Soviet proposals." He promised to consider any "reasonable" Western counterproposals, declared his readiness to accept a foreign ministers' meeting on 11 May, but reiterated clearly his preference for an immediate summit conference. Khrushchev evaded a direct reply when asked if the USSR would refrain from any "concrete political actions" regarding Berlin in view of President Eisenhower's statement about a possible summit meeting this summer. He reaffirmed Moscow's intention to sign a separate peace treaty with East Germany if the 25X1 West rejects the Soviet proposal for a treaty with both Cer-25X1 man states.

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Approved For Release 2002/09/04: CIA-RDP79T00975A004400060001-6 Nepal: With half the results announced in Nepal's first national election, the Nepali Congress party, moderately socialist with neutralist foreign policy views, seems assured of 25 🗶 gaining a majority in the new parliament. The Communist party has won only one seat so far. A single-party govern-25X1 ment should at least initially reduce the chronic instability Nepal has experienced since the overthrow of the Rana oligarchy in 1950-51.

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25 💥 Approved For Pelease 2002/09/04: CIA-RDP79T00975A004400060001-6 Caribbean area: Former Costa Rican President José Figueres, during his current trip to Cuba, will probably try to dissuade Castro from actions that would increase Communist capabilities in the area, and seek Castro's help for his own plans for ousting the regimes in Nicaragua and the Dominican Republic. He and his ally, Venezuelan President Betan-25 🗱 -court, are deeply concerned over Castro's demagoguery and his predilection for supporting pro-Communist groups of revolutionaries in his crusade against dictatorships. (**P**age 5) IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES (Available during the preceding week) Threats to the Stability of the US Military Facilities Position in the Caribbean Area and Brazil. SNIE 100-3-59. 10 March 1959. The Outlook for Jordan. NIE 36.3-59. 10 March 1959. Chinese Communist Intentions and Probable Courses of Action in the Taiwan Strait Area. SNIE 100-4-59. 13 March 1959. 25 🗶 Berlin. SNIE 100-2/1-59. 17 March 1959. LATE ITEMS \*USSR - Nuclear test talks: In an abrupt reversal, the USSR 25 💥 has agreed at the Geneva talks to the American draft article on the duration of a nuclear test cessation treaty. The Soviet leaders probably believe this demonstration of willingness to make concessions in important East-West negotiations will increase pressure on the West to agree to Soviet terms for talks on Berlin and a German peace treaty. Moscow remains in disagreement with Western views on voting and inspection procedures? 20 Mar 59 DAILY BRIEF iii

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Cand the staffing of inspection posts. Following Prime Minister Macmillan's talks with Khrushchev, British officials indicated their belief that the USSR will make no concessions on its insistence on veto powers in the proposed control commission except possibly as part of a "package deal" at a summit meeting.

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DAILY BRIEF

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### Nepali Congress Leads in National Elections

The moderate socialist Nepali Congress is maintaining such a sizable lead in Nepal's first national elections--being held between 18 February and 3 April--that it now seems assured of winning a majority and forming the first government under the new constitution.

Results for about half the parliament's 109 seats have been announced to date. The Nepali Congress has won 38 of the 55 seats declared, or 69 percent. The other two major political parties, the rightist Gurkha Parishad and former Prime Minister K. I. Singh's United Democratic party, each appear to be winning less than 15 percent of the seats. The Communist party has won only one seat so far, and has little support in areas where polling has yet to be completed.

The Nepali Congress is the country's oldest, largest, and best-organized party. The country-wide support it is receiving probably is a result of its reputation as leader of the rebellion against the autocratic Rana regime in 1950-51. The party leader, B. P. Koirala, is likely to be called on by King Mahendra to form a government.

King Mahendra, who reportedly had been attempting to divide political party strength evenly, may find a Nepali Congress government-supported by a clear majority and a popular mandate-harder to control than previous cabinets. Mahendra, however, retains ultimate power under the constitution promulgated in February, and internal dissension in the Nepali Congress is likely to make cabinet unity difficult.

The Indian Government apparently has backed the Nepali Congress as offering the best prospect for the stable and progressive government New Delhi feels is essential to protect its special interest in Nepal and to limit Chinese Communist influence.

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### Anti-Communist Costa Rican Vies With Castro for Leadership Of Drive Against Dictators

Fidel Castro appears to be meeting with competition for leadership of the drive against Latin American dictatorships. Former Costa Rican President José Figueres, just back from long consultations with his close ally, Venezuelan President Betancourt, has told the American ambassador that he intends to head the revolutionary effort against the Somoza regime in Nicaragua. He also appears deeply involved in plans to oust Dominican dictator Trujillo.

Figueres and Betancourt, both long-time foes of Latin American dictators, share a deep concern over Castro's demagoguery and his support for pro-Communist groups of Nicaraguan and Dominican revolutionaries. During his current visit in Havana, Figueres is expected to attempt to dissuade Castro from activities that would increase Communist capabilities in the area and to seek Castro's support for his own revolutionary efforts.

Figueres' National Liberation party (PLN) has prepared a public statement reaffirming its position in support of democratic movements dedicated to ousting dictators, but taking a strong stand against movements that would include Communists. Representatives of the PLN, Betancourt's Democratic Action party, and the Peruvian APRA party are scheduled to meet on 6 April, probably in the Costa Rican capital, and are expected to issue a similar statement, modified if necessary by the results of the Figueres-Castro talks.

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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

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The Deputy Under Secretary for Administration

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The Director of Intelligence and Research

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The Director, The Joint Staff
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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

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Assistant Chief of Staff, Intelligence, Department of the Air Force

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Commander in Chief, Pacific

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